

MARKETING MATTERS

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Banking on Beef Cattle

By Bill Holleran

Kentucky is the largest cow-calf producer east of the Mississippi River. With concerns over the state's tobacco industry, some producers are looking to expand their beef operations and add more value to their beef cattle herds.

Three years ago Larry Hedgepeth of Canmer, Ky., needed to offset lost tobacco income by making his cattle herd more profitable. By controlling problem weeds, renovating pastures, and rotational grazing, Hedgepeth improved his farm's carrying capacity 20 percent without buying additional land. "We split our fertilizer applications in order to stockpile fall fescue, which eliminated the need to feed hay before mid-January," Hedgepeth said. "We split our 180-head cowherd into spring and fall calving groups to keep our bull costs down, which provided two markets to sell our calves."

Hedgepeth received \$4 per hundredweight premiums for calves that met health and genetic requirements of Stone Creek Cattle Co. in Bardstown last September. Stone Creek is using a feedlot to finish the cattle and then markets the retail product through its Five Star Market stores. Hedgepeth has also marketed load lots of cull cows directly to order buyers. Last year he, along with several neighbors, sold four semi-loads of cull cows directly to order buyers that brought a \$4 per hundredweight premium.

"The best thing Kentucky farmers can produce is beef, and farmers can



find a lot of information to help them become more efficient beef producers by using the Internet," Hedgepeth said.

Certified Preconditioned for Health (CPH-45) sales are another way producers have added value to their cattle in recent years. Large groups of like-kind animals that can fill a tractor trailer command higher prices than single animals being sold through regular daily auction sales. Kentucky Department of Agriculture employees grade most cattle that are consigned to CPH-45 sales and help administer and promote the program. They are certified by the U.S. Department of Agriculture to grade livestock.

Terry Townley of Barren County raises 25 cows and has a split spring/fall calving season. Townley added \$85 value per calf by selling through Glasgow's first CPH-45 sale in 2002, and he hopes CPH-45 sales continue in his area in 2003. "I look at weekly livestock market reports to anticipate what my calves are worth," Townley said. "If my calves sell above weekly market prices, I know I've made the right marketing decision. Last year I took my calves to the Glasgow CPH sale hoping for 75 cents and averaged

\$82.50 on steers and heifers. My cost of gain was around 27-30 cents per pound and paid me around 60 cents per pound for my steers. I don't consider the health and feeding program extra expenses, since it's something I do anyway to try to produce a high-quality calf. My 12 calves gained a combined 1,000 pounds in two months on a corn gluten/soybean hull diet after

they were weaned. The extra weight gain translated to extra profit." Townley hopes more CPH sales will be added for fall calving producers in the future, since most CPH sales now target spring-born calves.

For information on weekly livestock and grain market prices, check out KDA's Value-Added Livestock Web site, http://www.kyagr.com/mkt_promo/LPF/index.htm. For beef marketing assistance, contact marketing specialist Tim Dietrich at (502) 564-3956.

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'Aquaculture America' Coming to Louisville

Staff Report

Kentucky's growth in aquaculture has attracted the attention of the national industry. As a result, the only national aquaculture conference, Aquaculture America, is coming to the Bluegrass State Feb. 18-21 at the Kentucky International Convention Center in Louisville.

The U.S. Aquaculture Society, the National Aquaculture Association, and the U.S. Suppliers Association produce the annual meeting. Kentucky producers, industry representatives and the Kentucky Department of Agriculture have worked to bring the conference to Kentucky.

Producer sessions this year will address new aquaculture opportunities in Appalachia, catfish culture, shrimp culture, freshwater mussel culture, trout culture, sunfish culture, and emerging species, to name a few topics.

"We are working hard to put the Aquaculture America conference together,"

The Doctor's Office

By Dr. Cris Young



I was fortunate to visit several provinces in China during the first week of December. What an eye-opening trip. China was not at all what I expected. I saw tremendous growth, a vibrant economy and lots of people! One of the cities we visited has grown from 40,000 people to over 4 million in just 20 years. There are no less than 50 high-rise buildings being constructed in that city today. Many of the provinces we visited are enjoying double-digit growth in their gross domestic output, and several were growing at greater than 20 percent annually. So what does it all lead to and where can we go from here? Opportunity.

We made a whirlwind tour and were only able to talk broadly about their interests and the trade opportunities that exist. A follow-up trip directed specifically to agricultural goods is warranted. Top of my list of opportunities is processed food products. Many U.S. brand names are recognized in China as top-quality products. Processed foods are the kind of value-added product we need to promote instead of trying to sell a commodity item. The Chinese recognize Kentucky for its beautiful green pastures and miles of fences. Goods from Kentucky need to connect with his emotional tie.



KDA aquaculture marketing specialist Angela Caporelli said. "KDA will sponsor Kentucky aquaculture products for the President's Reception and will feature freshwater prawn, smoked paddlefish, caviar, and catfish. Registration should top 1,500, and at last count all the hotel rooms earmarked for the conference were taken! This should be a great show."

People have raised fish and other aquatic species around the world for centuries. In recent years Kentucky, too, has tried to capitalize on this growing industry. Kentucky's Aquaculture Association, along with KDA marketing specialists, have promoted freshwater shrimp, catfish, trout, bass and paddlefish in recent years.

Kentucky has developed growers cooperatives such as the Purchase Area Aquaculture Cooperative and worked with local processors to market Kentucky products.

For more information about Aquaculture America, contact Caporelli by phone at (502) 564-0260, or visit www.was.org.

Agri-tourism comes to mind next. What better way to sell our products than to have the Chinese come experience our state and become more familiar with the production of the products we have to offer? I encourage you to consider a trip to see China as well. You won't be disappointed. The service I received in that country was second to none. We also found opportunities to sell both beef and dairy genetics. This is an opportunity we should pursue, but it would be more advantageous for us to sell branded beef and processed dairy items rather than bulls or embryos.

Finally, the Chinese are looking for technology. Their students have been unable to travel to study abroad for decades, and consequently, they are thirsty for knowledge. Our delegation included representatives from Eastern Kentucky University, and they initiated dialogue to work on student exchange programs. There are also numerous opportunities for us to provide paid consultants to China in agricultural areas. Through these relationships I expect the door will open up for trade opportunities. Tony Moreno, Director of the International Marketing division, will be working diligently on opportunities in China as well as other export markets. Tony can be reached at (502) 564-4696.

Plan to attend Beef Expo

By Mary Jane Pettit

The Kentucky Beef Expo, sponsored by the Kentucky Department of Agriculture, will be conducted Feb. 28-March 2 at the Kentucky Fair and Exposition Center in Louisville. A haltered show and sale will consist of Angus, Beefalo, Charolais, Chiangus, Limousin, Maine-Anjou, Polled Hereford, Red Angus, Red Poll, Salers, Shorthorn, and Simmental.

The 5th Annual Pen Heifer Show and Sale is a vital part of the Kentucky Beef Expo and is an opportunity for beef cattle producers to consign non-halter broke, uniform heifers, in pens of two or three. These heifers may be registered or commercial, between 12 and 30 months of age, with the breeding status of open, bred, or calf at side. This is a great marketing tool for producers to showcase their heifers in an exclusive sale.

On March 1, at 2 p.m., beef producers will have the opportunity to buy quality replacement heifers consigned to the Pen Heifer Show and Sale. The 130 head consigned this year include 80 registered and 55 commercial, with 60 being bred or with calf at side. Pen heifers are grouped for uniformity, condition, and frame size in lots of two and/or three head, selling as buyer's choice. Seventy percent of this year's pen heifers are bred and sired by AI sires, or bred to AI calving ease bulls.

All heifers featured in the Pen Show and Sale are homegrown and have been screened on the farm for soundness, condition, conformation, and overall structure, as well as eye appeal. These heifers are not halter broken, but disposition was taken into account in the screening process. A health program is required for all heifers in the pen show and sale. These heifers have complied with the guidelines and are sold with approved health certificates.

For more information or a copy of the Pen Heifer Sale catalog, contact John McDonald in the Division of Show and Fair Promotion at (859) 236-4591.

Marketing Conference Scheduled

Staff Report

The first-ever Ohio River Valley Farm Marketing Conference is slated for Feb. 25-26 at the Holiday Inn Lakeview in Clarksville, Ind. Agricultural leaders from Kentucky, Ohio, and Indiana will discuss new market opportunities, business and financial planning, market development, wholesale marketing, marketing organics and value-added marketing. Breakout sessions will focus on horticulture, livestock, and agri-tourism.

Featured speakers from Kentucky include Agriculture Commissioner Billy Ray Smith; Tim Woods of the University of Kentucky College of Agriculture; Joe Cecil of the West Kentucky Growers Cooperative; Extension agent Mark Reese; Cynthia Bohn of Equus Run Winery, and Kelly Ludwig,

marketing specialist with the Kentucky Department of Agriculture.

Kentucky growers, agricultural entrepreneurs, educators, community leaders, government officials and agricultural stakeholders are encouraged to attend.

"This event will bring producers and industry experts from the tri-state area together to share successful marketing experiences," said Kelly Ludwig, who helped organize the event.

Registration after Feb. 14 is \$20, which includes three meals and all conference activities and presentations. Questions about registration may be directed to (812) 689-6456 and conference inquiries to (812) 339-8987. Additional information can be found on www.sirdp.us or by calling Kelly Ludwig at the Kentucky Department of Agriculture, (502) 564-4696.

Dairy industry will offer quality award

By Eunice Schlappi

The Dairy Products Association of Kentucky (DPAK) has called for applications for the second annual Kentucky Quality Dairy Producer Award.

The purpose of the Kentucky Quality Dairy Producer Award is to recognize the dairy producer who exemplifies quality milk production in Kentucky. The competition is open to all Kentucky dairy producers. The award will consider somatic cell count, average P.I. (if applicable), standard plate count, and barn inspections. Applications may be submitted by producers or professionals who serve the dairy industry as field representatives, veterinarians, dairy extension personnel, milk haulers, inspectors, etc. These individuals should work with the dairy producer to complete the application.

The award was made available for the first time in 2002, and the winners were Tommy and Linda Marcum and family of Grayson, Ky., in Carter County. During the dairy banquet at the Kentucky State Fair, they received a

large farm gate sign and cash award.

DPAK represents the dairy processing and manufacturing plants in Kentucky. Its membership also includes industry, technical, and academic representatives. The Kentucky Milk Producers Association and the Kentucky Department of Agriculture are co-sponsoring the award.

Applications will be based on one year of criteria from April 1, 2002 through March 31, 2003. All nominees must have a valid permit from the Milk Safety Branch for the time period stated. All applications are to be postmarked or delivered to DPAK no later than June 15. Completed applications are to be sent to David Klee, DPAK, 514 General John Payne Blvd., Georgetown, KY 40324.

Applications for the award can be obtained by calling Eunice Schlappi, dairy marketing specialist with the Kentucky Department of Agriculture, at (502) 564-3956, extension 272, or David Klee, Executive Director for DPAK, at (502) 867-7843.

Specialty food shows provide national exposure

By Gerald Dotson

The National Association for the Specialty Food Trade was established in 1952 to foster trade, commerce, and interest in the specialty food industry.

This international organization is composed of domestic and foreign manufacturers, importers, distributors, brokers, and retailers of specialty food, quality perishables, fine confections, cooking accessories, and related publications. It's the only U.S. organization working full-time to further interest in specialty foods. The NASFT currently has more than 2,200 member companies from the U.S. and overseas.

To participate in specialty food shows, producers must first become a member of the association. They must have been actively engaged in the specialty food business for at least one year prior to applying for membership. Major conditions for membership include references, product samples, a good credit rating, and liability insurance. Companies applying for membership must pass the admissions committee and receive no complaints from current members. Dues are paid on an annual basis and structured on annual sales.

The association holds three shows each year. The winter show is in San Francisco, the spring show in Chicago, and the summer show in New York City. Members in good standing may exhibit at any of the shows. The KDA subsidizes only the spring and summer shows for its members. The spring show is scheduled for May 4-6, and the summer show for June 29-July 1.

Last year during the summer show, B&B Foods of Cadiz, Ky., won the prestigious Outstanding Meat Product Award with their peppered country bacon that Beth and Ronnie Drennan cure here in Kentucky. Their product gained national attention when it was featured on the "Good Morning America" television show in July.

For more information on how to become a member and participate in these shows, contact Gerald Dotson at (502) 564-6571 or e-mail at gerald.dotson@kyagr.com.

Agri-Tourism Shows Promise for DH Resorts

Agri-tourism is one of the hottest topics in agriculture marketing today. Agri-tourism involves providing tourists an opportunity to participate in an agricultural experience. Many people living in urban areas are fascinated with agriculture and see the opportunity to visit the country as an adventure their entire family can enjoy.

DH Resorts in Hillsboro, Ky., has found many people anxious to experience the wide-open spaces at their scenic resort nestled in the foothills of the Appalachian Mountains. Steve Dobson, founder and manager of the resort, and his wife, Charlotte Harris, purchased 300 acres in 1987 to start a horsemanship camp. In 1990 they opened a campground, and with continued expansion, the resort now includes 1,500 acres of scenic woodland near the Daniel Boone National Forest. The resort also has a manor house where guests can stay overnight and fish in the adjoining 22-acre lake. In addition to camping, trail riding and fishing, the resort includes a swimming pool, restaurant, volleyball court, petting zoo, hayrides, and youth horse camps that hosted over 250 youth from Boy Scouts, Girl Scouts, and other groups last summer.

"Travelers increasingly want to do something, rather than just see some-

thing," Dobson said. "People always ask us what's here to do, so we try to provide something for everyone. If you want to ride horses, go fishing, camping, or just relax, we provide activities for every member of the family. We have also provided meeting areas for corporate groups and held weddings on the property.

"Farmers understand hard work, and some can make the transition to agri-tourism, but they need to spend more time learning about business management and marketing than focusing on production. You can do a great job producing a product and have no one show up to experience it if you haven't practiced sound business and marketing management. Agri-tourism is not an overnight success story or immediate cure for lost tobacco income, but it can be profitable when you focus on customer service."

Commitment to customer service helped DH Resorts become Fleming County Business of the Year in 2001.

Dobson said one of his biggest hurdles is figuring out how to get people from the city to visit the country. He attends travel shows, publishes brochures and provides a Web site to help advertise his business. He said people come from everywhere, and once they visit, they



want to come back.

DH Resorts is open from mid-March through the first weekend in November. The restaurant is open year-round on weekends. For more information, check out its Web site at www.dhresorts.com or call toll-free 1-800-737-RIDE.

The Kentucky Department of Agriculture's Division of International Marketing works to promote agri-tourism and offers technical assistance. The Department and the Kentucky Tourism Development Cabinet have formed a state agri-tourism council to promote and assist the industry in the Commonwealth.

Marketing specialist Kelly Ludwig is coordinating a tri-state marketing conference Feb. 25-26 in Clarksville, Ind., that will feature an agri-tourism component. For more information on the conference or KDA's services to agri-tourism entrepreneurs, contact Kelly Ludwig by phone at (502) 564-4696 or by e-mail at kelly.ludwig@kyagr.com.

— Bill Holleran

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Kentucky Department of Agriculture

www.kyagr.com

Division of Value-Added Marketing
100 Fair Oaks Lane, Suite 252
Frankfort, KY 40601